



## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

#### **Office of Economic Adjustment; Announcement of Federal Funding Opportunity (FFO)**

**AGENCY:** Office of Economic Adjustment (OEA), Department of Defense (DoD).

**ACTION:** Federal funding opportunity announcement.

**SUMMARY:** This notice announces an opportunity to request funding from the Office of Economic Adjustment (OEA), a Department of Defense (DoD) field activity, for community planning assistance and economic diversification in response to major reductions or cancellations in DoD spending, including the cancellation or termination of DoD contracts or failure to proceed with a major weapon system program. Assistance may be granted if the DoD action has a direct and significant adverse effect on a community or its residents. This notice includes proposal submission requirements and instructions, eligibility, and selection criteria that will be used to evaluate proposals from eligible respondents. OEA grants to a state or local government may result from any proposal submitted under this notice, subject to the availability of appropriations.

#### **SUPPLEMENTARY INFORMATION:**

**a. Federal Awarding Agency:**

Office of Economic Adjustment (OEA), Department of Defense (DoD).

**b. Funding Opportunity Title:**

Community Economic Adjustment Assistance for Reductions in Defense Industry Employment

**c. Announcement Type:**

Modification of Previously Announced Federal Funding Opportunity (79 FR 28914)

**d. Catalog of Federal Domestic Assistance (CFDA) Number & Title:**

12.611, Community Economic Adjustment Assistance for Reductions in Defense Industry  
Employment

**e. Key Dates:**

Proposals will be considered on a continuing basis. OEA will evaluate all proposal documents and requests, and provide a response to the respondent within 30 business days of OEA's receipt of a final and complete proposal.

**I. Period of Funding Opportunity**

Proposals will be considered on a continuing basis, subject to the availability of appropriations, commencing on the date of publication of this notice.

**II. Funding Opportunity**

**a. Program Description**

OEA is a DoD Field Activity authorized under 10 U.S.C. 2391 to provide assistance to state or local governments, and entities of state and local governments, including regional governmental organizations, to plan and carry out community adjustments and economic diversification activities in response to the cancellation or termination of a DoD contract; the failure to proceed with an approved major weapon system program; or the publicly announced planned major reduction in DoD spending. States may request assistance to enhance their capacity to assist adversely affected communities, businesses, and workers; support local adjustment and diversification initiatives; and stimulate cooperation between statewide and local adjustment and diversification efforts.

The objectives of OEA's Defense Industry Adjustment (DIA) Assistance Program are to assist States and local governments to plan and carry out community adjustments and economic diversification activities in response to reductions in defense industry employment. Unlike base

closures where surplus property can be reused as part of a broader program to replace lost jobs and expand the local tax base, OEA's support for communities impacted by factory closures and laid-off employees focuses on developing community adjustments and diversification strategies concentrating on workforce skills, opportunities for manufacturing investment/expansion, and adaptability of local plant and capital.

These strategies usually focus on regional job creation through business development, attraction and expansion, workforce development, and community economic diversification. Additionally, during the planning process, OEA also coordinates with and provides information on other relevant federal assistance programs that can support coordinated economic development efforts.

OEA is accepting proposals for grant assistance to support communities and regions to organize, plan, and carry out local economic adjustment programs. Proposals will be evaluated against the eligibility criteria provided in Section II, c of this notice and the selection criteria provided in Section E of this notice by OEA staff in coordination with representatives from the U.S. Department of Commerce and U.S. Department of Labor, as well as other Federal agencies as invited by OEA. OEA will notify the respondent within thirty (30) days of receipt of a proposal whether their proposal was successful. The successful proposer will then be invited to submit an application through OEA's eGrants system. Additional details about the review and selection process is provided in Section II, e of the FFO.

The final amount of each award will be determined by OEA based upon a review of the final grant application, as well as comments from other Federal agencies, and will be subject to availability of funds.

#### **b. Federal Award Information**

Awards under this FFO will be issued in the form of a grant agreement. In accordance

with 31 U.S.C. 6304 a grant is defined as the legal instrument reflecting a relationship between the United States Government and a State, a local government, or other recipient when:

(1) The principal purpose of the relationship is to transfer a thing of value to the State or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and

(2) Substantial involvement is not expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement.

### **c. Eligibility Information**

Awards resulting from this FFO are based on eligibility and the responsiveness of proposals to local needs. Therefore, an eligibility determination by OEA is required prior to submission of a proposal.

### **i. Eligible Respondents**

Eligible respondents are states, counties, municipalities, other political subdivisions of a state; special purpose units of a state or local government; other instrumentalities of a state or local government; and tribal nations. If multiple sub-state jurisdictions for the same affected region respond to the same event, only one proposal will be considered.

A proposal must respond to: a publicly announced planned major reduction in DoD spending; the cancellation or termination of a DoD contract; or the failure to proceed with an approved major weapons system program.

This DoD action must result in the loss of: 2,500 or more employee positions in the case of a Metropolitan Statistical Area (MSA); 1,000 or more employee positions if the labor market area is outside of a MSA; or one percent of the total number of civilian jobs in the local labor market for the impacted area. For the purposes of demonstrating eligibility, only direct (i.e.,

prime and supply-chain) job loss may be counted. Respondents may document a cumulative job loss over the span of not more than three consecutive years (e.g., two years prior to proposal and one year forward, or three years prior). Induced job loss may not be considered as a factor in demonstrating eligibility. The respondent must also explain how this job loss will cause direct and significant adverse effects to the community or residents in the area.

Respondents are strongly advised to review the Program Information stated for CFDA Number 12.611 on <http://www.cfda.gov>, prior to preparing and/or submitting a proposal.

## **ii. Cost Sharing or Matching**

Cost sharing is required. A minimum of ten percent (10%) of the project's total proposed funding is to be comprised of non-Federal sources.

## **iii. Other Eligibility Information**

Funding will be awarded to only one governmental entity on behalf of a region, therefore applications on the behalf of a multi-jurisdictional region should demonstrate a significant level of cooperation in their proposal.

Proposed activities for grants under this program should not duplicate nor replicate activities otherwise eligible for or funded through other Federal programs. Respondents are encouraged to submit proposals that demonstrate appropriate leverage of all public and private resources and programs, such as:

(a) U.S. Department of Commerce's Manufacturing Extension Partnership (MEP) Program for provision of relevant assistance to the region's manufacturers that operate as part of affected Defense supply chains; and state, regional, and local economic development organizations which often work with the U.S. Department of Commerce's Economic Development Administration (EDA);

(b) Small Business Development Centers as well as local Small Business Administration District

offices; and

(c) U.S. Department of Labor's (DOL) Employment and Training Administration (ETA) grantees, including local Workforce Investment Boards and/or American Job Centers.

Funds provided under this program may not be used to assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one Labor Market Area (LMA) to another if the relocation is likely to result in the loss of jobs in the LMA from which the relocation occurs.

#### **d. Proposal and Submission Information**

##### **i. Submission of a Proposal**

Proposals should be submitted by contacting OEA via email at [oea.ncr.OEA.mbx.ffo-submit@mail.mil](mailto:oea.ncr.OEA.mbx.ffo-submit@mail.mil) with a courtesy copy to [michael.p.gilroy3.civ@mail.mil](mailto:michael.p.gilroy3.civ@mail.mil). Include “**Proposal for Defense Industry Community Adjustment Assistance**” on the subject line of the message and request delivery/read confirmation to ensure receipt.

Proposals may also be mailed or hand-delivered to:

Director,

Office of Economic Adjustment,

2231 Crystal Drive, Suite 520,

Arlington, VA 22202-3711.

##### **ii. Content and Form of Proposal Submission**

A proposal from a state respondent must demonstrate how the proposed grant would support adversely affected communities, businesses, and workers; support local adjustment and diversification initiatives or planning for such initiatives; and stimulate cooperation between statewide and local adjustment and diversification efforts. The proposal should also explain efforts to provide business planning and market exploration services to defense contractors and

subcontractors seeking modernization or diversification assistance as well as any training, counseling, and placement services to dislocated defense workers.

Eligible proposals from respondents other than states must be designed to allow an affected region to: (1) Organize itself to represent and respond on behalf of affected communities, workers, and businesses; (2) plan local community and economic adjustment activities to assist affected communities, workers, and businesses; and (3) carry-out plans to effectively respond to the defense impacts and stabilize the local economy. Respondents must specifically demonstrate how the proposed project will replace lost jobs, improve the resiliency of affected defense manufacturers, and assist displaced workers in order to stabilize the local economy.

Eligible activities may include (but are not limited to): staffing, operating, and administrative costs for an organization; outreach to businesses, workers, and other community interests; regional supply-chain mapping of defense-specific industry clusters; asset mapping to support a response; economic data collection and analysis to identify regional comparative advantages; preparation of diversification plans to lessen economic dependency on defense expenditures; facilitation of workforce adjustment and retraining efforts; provision of business planning and market exploration services for defense contractors and sub-contractors that seek modernization or diversification assistance; and preliminary strategies and plans for the potential reuse or redevelopment of existing defense facilities.

Proposals will be accepted as received on a continuing basis commencing on the date of this publication and processed when deemed to be a final, complete proposal. Each proposal shall consist of no more than fifteen (15) single-sided pages exclusive of cover sheet and/or transmittal letter, and must include the following information at a minimum:

(a) Point of Contact: Name, Title, phone number, e-mail address, and organization address of the

respondent's primary point of contact;

(b) Defense Action/Impact: A description of the publicly announced planned major reduction in DoD spending; the cancellation or termination of a DoD contract; or the failure to proceed with an approved major weapon system program. Also include documentation of the known or anticipated job loss; the average unemployment rate over the past year; the current unemployment rate; and other factors indicating community impact and need;

(c) Project Description: A description of the proposed project, specifically:

(i) how the project relates to OEA's statutory authority under 10 U.S.C. 2391, OEA's goals, and the goals of the DIA Program;

(ii) how the project addresses the impacts of Defense actions on communities, workers, and businesses;

(iii) how the project will capitalize on existing strengths (e.g. infrastructure, institutions, capital, etc.) within the affected area; and

(iv) how the project would be integrated with existing/ongoing economic development efforts.

(d) Project Parties: A description of the local partner organizations/jurisdictions, and their roles and responsibilities, that will carry out the proposed project. Letters of support may be included as attachments and will not count against the fifteen-page limit;

(e) Grant Funds and Other Sources of Funds: A summary of local needs, including need for Federal funding; an overview of all State and local funding sources, including the funds requested under this notice; financial commitments for other Federal and non-Federal funds needed to undertake the project, to include acknowledgment of the requirement to provide a minimum of ten percent (10%) of the funding from non-Federal sources; a description of any other Federal funding for which the respondent has applied, or intends to apply to support this effort; and a statement detailing how the proposal is not duplicative of other available Federal



funding;

(f) Project Schedule: A sufficiently detailed project schedule, including milestones;

(g) Performance Metrics: A description of metrics to be tracked and evaluated over the course of the project to gauge performance of the project;

(h) Grants Management: Evidence of the respondent's ability and authority to manage grant funds;

(i) Submitting Official: Documentation that the Submitting Official is authorized by the respondent to submit a proposal and subsequently apply for assistance.

The proposal should be e-mailed to the account stated in Section II, d. These papers should be submitted in Microsoft Word or Adobe Acrobat PDF. OEA reserves the right to ask any respondent to supplement the information in its proposal, but expects the proposal to be complete upon submission. To the extent practicable, OEA encourages respondents to provide data and evidence of all project merits in a form that is publicly available and verifiable.

### **iii. Unique Entity Identifier and System for Award Management (SAM)**

Each respondent (unless the respondent is excepted from those requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal awarding agency (OEA) under 2 CFR 25.110(d)) is required to: (a) Provide a valid Dun and Bradstreet Universal Numbering System (DUNS) number; (b) be registered in the System for Award Management System (SAM) before submitting its application; and (c) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency. OEA may not make a Federal award to an respondent until the respondent has complied with all applicable unique entity identifier and SAM requirements and, if a respondent has not fully complied with the requirements by the time OEA is ready to issue a Federal award, OEA may determine that the respondent is not qualified

to receive a Federal award.

#### **iv. Submission Dates and Times**

Proposals will be considered on a continuing basis, subject to available appropriations, commencing on the date of publication of this notice. The end date for this program has not yet been determined. OEA will evaluate all proposals and provide a response to each respondent via email within 30 business days of OEA's receipt of a final, complete grant proposal.

#### **v. Funding Restrictions**

The following are unallowable activities under this grant program:

- Construction;
- Marketing efforts or any other assistance that would result in the relocation of a plant, facility, or operation from one Labor Market Area (LMA) to another if the relocation is likely to result in the loss of jobs in the LMA from which the relocation occurs;
- Individual training for displaced workers; and
- International travel.

OEA reserves the right to decline to fund pre-Federal award costs. Final awards may include pre-Federal award costs at the discretion of OEA; however, this must be specifically requested in the grantee's final application.

#### **vi. Other Submission Requirements**

All respondents will submit all proposal materials electronically as an emailed attachment in Microsoft Word or Adobe Acrobat PDF format.

#### **e. Application Review Information**

##### **i. Selection Criteria**

Upon validating respondent eligibility, to include job loss numbers and whether there is a direct and significant adverse impact as a result of the job loss on the area, OEA will consider each of the following equally-balanced factors as a basis to invite formal grant applications:

- (a) An appropriate and clear project design to address the need, problem, or issue identified;
- (b) Evidence of an holistic approach to the problem that leverages education, the workforce system, businesses, higher education, economic development, and other relevant assets at local, state, regional, and Federal levels;
- (c) The innovative quality of the proposed approach to economic adjustment or economic diversification; and
- (d) A reasonable proposed budget with a non-Federal match commitment and schedule for completion of the work program specified.

## **ii. Review and Selection Process**

All proposals will be reviewed on their individual merit by a panel of OEA staff, all of whom are Federal employees. OEA will also seek the input of other Federal agencies with relevant expertise (e.g., U.S. Department of Labor, U.S. Department of Commerce, and the Small Business Administration) in the evaluation of proposals. OEA will notify the respondent within thirty (30) days of receipt of a proposal whether their proposal was successful. The successful respondent will then be instructed to submit an application through OEA's grants management system, eGrants. OEA will assign a Project Manager to advise and assist successful respondents in the preparation of the application. Grant applications will be reviewed for their completeness and accuracy and a grant award notification will be issued, to the extent possible, within seven (7) business days from its receipt.

Unsuccessful respondents will be notified that their proposal was not selected for further action and funding, and may request a debriefing on their submitted proposal. When applicable,

OEA may include information about other applicable federal grant programs in this communication. Requests for debriefing must be submitted in writing within 3 calendar days of notification of an unsuccessful proposal.

OEA is committed to conducting a transparent financial assistance award process and publicizing information about funding decisions. Respondents are advised that their respective applications and information related to their review and evaluation may be shared publicly. Any proprietary information must be identified as such in the proposal and application. In the event of a grant award, information about project progress and related results may also be made publicly available.

#### **f. Federal Award Administration Information**

##### **i. Federal Award Notices**

In the event a grant is ultimately awarded, the successful respondent (Grantee) will receive a notice of award in the form of a Grant Agreement, signed by the Director, OEA (Grantor), on behalf of DoD. The Grant Agreement will be transmitted electronically or, if necessary, by U.S. Mail.

##### **ii. Administrative and National Policy Requirements**

Any grant awarded under this program will be governed by the provisions of the OMB circulars applicable to financial assistance and DoD's implementing regulations in place at the time of the award. A Grantee receiving funds under this opportunity and any consultant or pass-thru entity operating under the terms of a grant shall comply with all Federal, State, and local laws applicable to its activities. Federal regulations that will apply to an OEA grant include administrative requirements and provisions governing allowable costs as stated in:

- 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles,

and Audit Requirements for Federal Awards”;

- 2 CFR part 1103, “Interim Grants and Cooperative Agreements Implementation of Guidance in 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards”;
- 2 CFR part 25, “Universal Identifier and System for Award Management”;
- 2 CFR part 170, “Reporting Subaward and Executive Compensation Information”;
- 2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement), as implemented by DoD in 2 CFR part 1125, Department of Defense Nonprocurement Debarment and Suspension; and
- 32 CFR part 28, "New Restrictions on Lobbying".

### **iii. Reporting**

OEA requires periodic performance reports, an interim financial report for each 12 months a grant is active, and one final performance report for any grant. The performance reports will contain information on the following:

- (a) a comparison of actual accomplishments to the objectives established for the period;
- (b) reasons for slippage if established objectives were not met;
- (c) additional pertinent information when appropriate;
- (d) a comparison of actual and projected quarterly expenditures in the grant; and,
- (e) the amount of Federal cash on hand at the beginning and end of the reporting period.

The final performance report must contain a summary of activities for the entire grant

period. All required deliverables should be submitted with the final performance report.

The final SF 425, “Federal Financial Report,” must be submitted to OEA within 90 days after the end of the grant.

Any grant funds actually advanced and not needed for grant purposes shall be returned immediately to OEA. Upon award, OEA will provide a schedule for reporting periods and report due dates in the Grant Agreement.

### **III. Federal Awarding Agency Contacts**

For further information, to answer questions, or for help with problems, contact:

Mr. Michael Gilroy,

Program Director,

Defense Industry Adjustment,

Office of Economic Adjustment,

2231 Crystal Drive, Suite 520,

Arlington, VA 22202-3711.

Office: (703) 697-2081.

Email: [michael.p.gilroy3.civ@mail.mil](mailto:michael.p.gilroy3.civ@mail.mil).

The OEA homepage address is: <http://www.oea.gov>.

### **f. Other Information**

#### **a. Grant Award Determination**

Selection of an organization under this FFO does not constitute approval of a grant for the proposed project as submitted. Before any funds are awarded, OEA may enter into negotiations about such items as program components, staffing and funding levels, and administrative systems in place to support implementation of the award. The amount of available funding may require the final award amount to be less than that originally requested by the respondent. If the

negotiations do not result in a mutually acceptable submission, OEA reserves the right to terminate the negotiations and decline to fund an application. OEA further reserves the right not to fund any proposal received under this FFO.

In the event OEA approves an amount that is less than the amount requested, the respondent will be required to modify its grant application to conform to the reduced amount before execution of the grant agreement. OEA reserves the right to reduce or withdraw the award if acceptable modifications are not submitted by the respondent within 15 working days from the date the request for modification is made. Any modifications must be within the scope of the original application and approved by both the Grantee and OEA. OEA reserves the right to cancel any award for non-performance.

#### **b. No Obligation for Future Funding**

Amendment or renewal of an award to increase funding or to extend the period of performance is at the discretion of OEA. If a respondent is awarded funding under this FFO, no other federal agencies (e.g. the U.S. Department of Commerce, National Institute of Standards and Technology, U.S. Department of Labor, or the U.S. Small Business Administration) are under any obligation to provide any additional future funding in connection with that award or to make any future award(s).

#### **c. Intellectual Property Rights**

In the event of a grant award, the Grantee may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agencies reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so. Such uses include, but are not limited to, the right to modify and distribute such products worldwide by any means, electronically or otherwise. The Grantee may not use Federal funds to

pay any royalty or license fee for use of a copyrighted work, or the cost of acquiring by purchase a copyright in a work, where the Department has a license or rights of free use in such work. If revenues are generated through selling products developed with grant funds, including intellectual property, these revenues are program income and shall be added to the grant and must be expended for allowable grant activities.

Dated: March 3, 2015.

**Aaron Siegel,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

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